Labour Market Notes

Employment bounces back

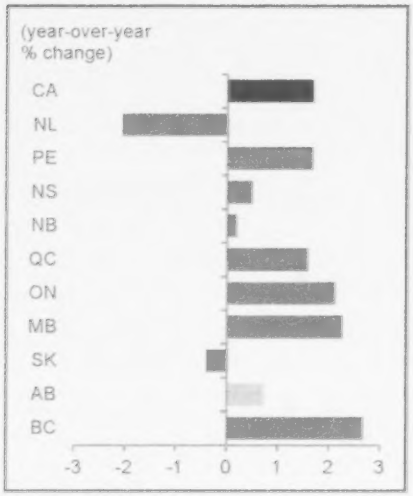
Alberta

- Employment recovery back on track. After declining in two of last three months, employment in Alberta increased by 11,900 in October, the largest monthly gain since March.
- Gains concentrated in the private sector. Employment in the private sector increased by 14,500 while public sector employment eased (-2,300) and self-employment (-300) was virtually unchanged.
- Ongoing shift to full-time. Full-time positions increase (+18,900) while part-time position declined (-7,100). Since the July 2016 low, Alberta's economy has added 71,700 full-time jobs and 40,900 overall jobs.
- Steady recovery in the goods-producing sector. Goods-producing sector employment increased (+4,900) for the third month in a row to the highest level since April 2016. The increase was led by the third consecutive monthly gain in the construction sector (+2,400) and ongoing gains in primary resources (+1,300).
- Service sector rebounds. Employment in the service sector rebounded (+7,000) after three consecutive monthly losses. The gains in the service sector were concentrated in the professional, scientific and technical services (+9,500), which reached the highest level since October 2014.
- Modest year-over-year job growth. Despite the strong monthly gain, year-over-year employment has increased by modest 16,500, or 0.7% as strong gains also occurred last September and October.
- Unemployment rate edges lower. With the monthly gain in employment, the unemployment rate decreased by 0.1 percentage points to 7.8%.
- Participation rate moves higher. The labour force participation increased 0.2 percentage points to 72.2%, after falling to a fifteen month low in September.
- Earnings grow in August. Average Weekly Earnings (AWE) increased 0.6% in August to $1,134. Compared to a year ago, earnings were up 1.1%.

Canada

- Employment gains continue. Canadian employment increased by 35,300 in October, the eleventh consecutive monthly increase. The increase was primarily due to gains in Quebec (+18,400) and Alberta (+11,900) which were partially offset by the fourth straight monthly losses in British Columbia (-6,100).
- Unemployment rate ticks up. After hitting a nine-year low, the Canadian unemployment rate ticked up 0.1 percentage points to 6.3% in October.
- Canadian earnings rose. Canadian average weekly earnings (AWE) increased 0.9% month-over-month in August to $975, 1.7% higher than a year ago.

Employment Growth by Province, October 2017 vs. October 2016



Source: Statistics Canada

Alberta Labour Market Indicators

Indicator	Latest*
Employment	2,790,600
month-over-month change	+11,900
year-over-year % change	0.7%
Alberta Unemployment Rate (UR)	7.8%
Edmonton UR**	8.2%
Calgary UR**	8.3%
Participation Rate	72.2%
Average Weekly Earnings (AWE)	$1,133.86
year-over-year % change	1.1%
Average Hourly Wage	$30.58
year-over-year % change	3.7%
Job Vacancy Rate***	1.8%

Source: Statistics Canada

* All data is from the October 2017 Labour Force Survey, except AWE which is the August 2017 Survey of Employment, Payrolls and Hours, and the Job Vacancy Rate is for July 2017.

** This indicator is calculated as a three-month moving average and is seasonally adjusted.

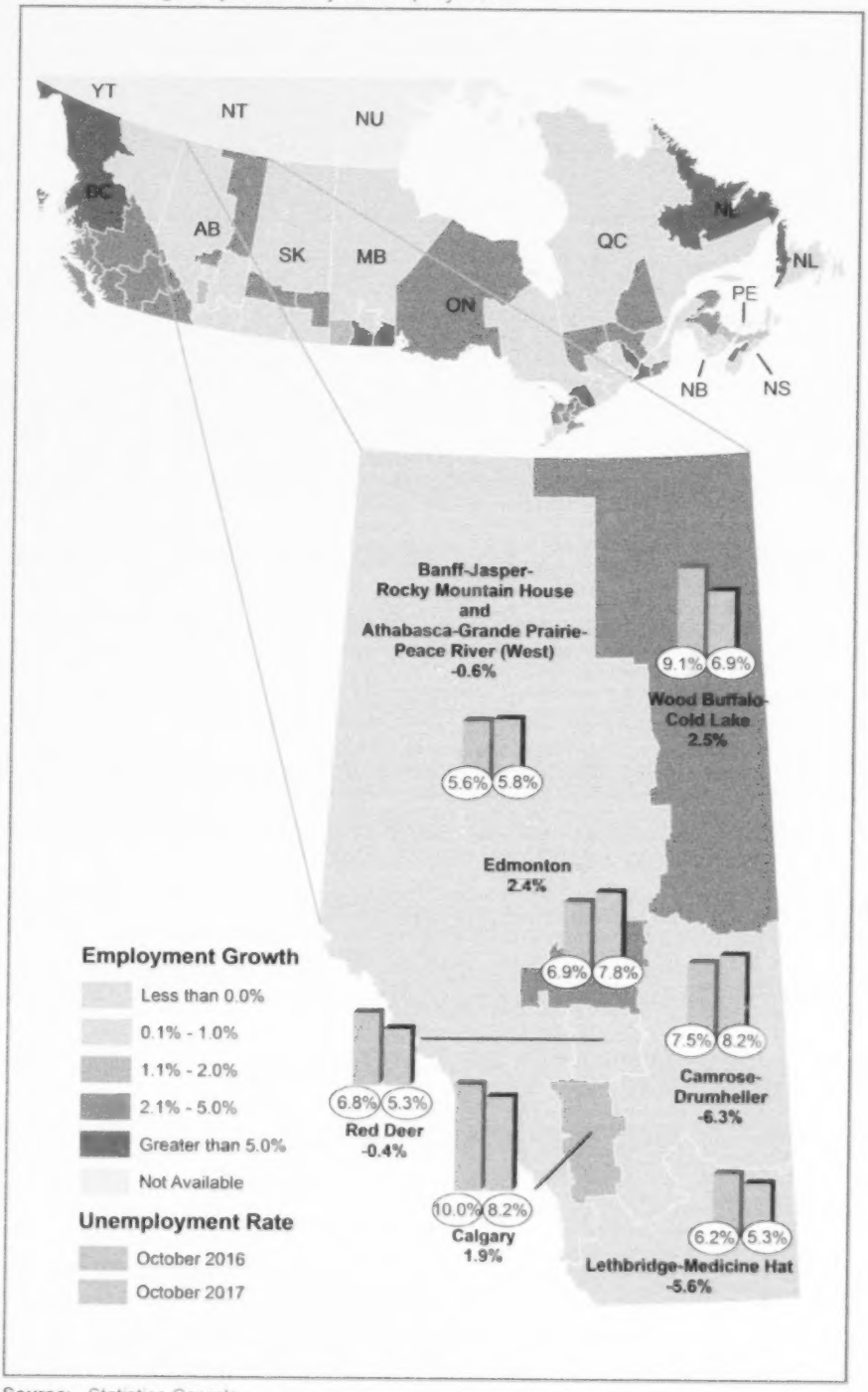
*** This indicator is calculated as a three-month moving average and is not seasonally adjusted.

Regional labour market indicators

	2015	2016	2017 YTD
Alberta			
Population	2.2	1.9	0.9
Labour Force	2.6	0.6	0.9
Employment	1.2	1.6	0.7
Unemployment Rate	6.0	6.1	6.2
Calgary			
Population	2.9	2.9	1.3
Labour Force	3.7	1.1	3.0
Employment	2.2	1.7	3.0
Unemployment Rate	6.3	9.2	8.8
Edmonton			
Population	2.3	1.7	1.3
Labour Force	2.9	1.3	0.1
Employment	1.9	0.2	-1.1
Unemployment Rate	5.9	7.4	6.9
West			
Population	0.8	0.6	-0.5
Labour Force	-1.0	-4.2	-0.1
Employment	-3.0	-5.2	-0.7
Unemployment Rate	5.9	6.9	6.6
Lethbridge - Medicine Hat			
Population	0.6	0.0	-0.9
Labour Force	5.1	3.4	4.6
Employment	4.4	1.2	3.4
Unemployment Rate	5.0	6.9	5.7
Red Deer			
Population	2.2	1.2	0.6
Labour Force	0.3	1.8	-0.1
Employment	-2.1	-4.3	0.9
Unemployment Rate	6.2	8.6	7.6
Camrose - Drumheller			
Population	0.4	0.3	0.8
Labour Force	2.1	0.1	1.0
Employment	-3.5	-5.4	0.1
Unemployment Rate	4.5	7.8	8.6
Wood Buffalo - Cold Lake			
Population	2.7	0.0	#N/A
Labour Force	3.2	-2.6	#N/A
Employment	0.4	-4.0	#N/A
Unemployment Rate	7.9	9.3	8.1

* Year-to-date (YTD) is the change in the average based on 3 month moving averages

Employment growth by economic region
Percent change in year-over-year employment



Source: Statistics Canada

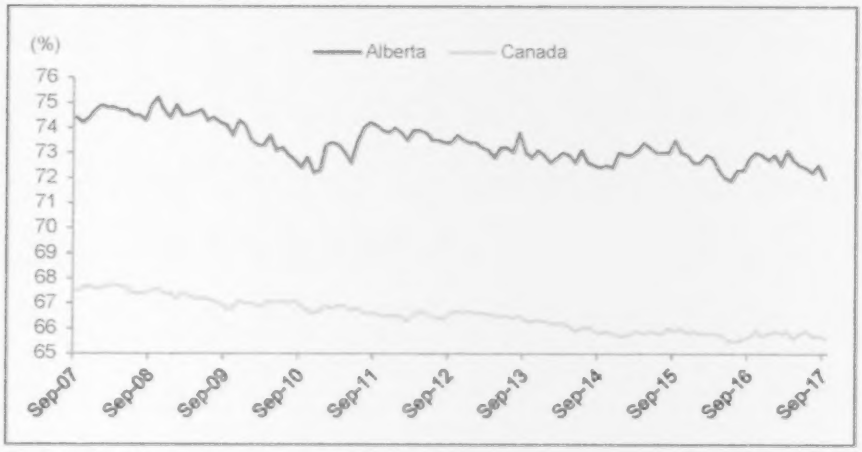
Labour market participation trending lower

Alberta's labour force participation rate has been drifting lower for nearly a decade. This labour insight explores two important drivers of the decline. The first driver is population aging and the second is reduced youth workforce engagement.

Labour force participation rate on the decline

In spite of short-term cyclical fluctations, provincial labour force participation has been trending downward for nearly a decade. The decline is consistent with trends seen across Canada (Chart 1). Alberta's labour force participation rate hit an all-time high of 75.2% in October 2008. Since then, the participation rate has lost more than three percentage points and approached a 20-year low in September. Two secular trends are curbing Alberta workforce participation: population aging and a decline in youth labour force participation (Chart 2).

Chart 1: Labour force participation trending downward
Labour force participation rates



Source: Statistics Canada

Chart 2: Secular trends curb participation
Alberta labour market indicators by age

Source: Statistics Canada

Population aging limits participation

Despite growing labour force participation of older individuals over the past 20 years, they still participate in the labour market far less than their younger peers. The participation rate of those aged 55 and older is only about half that of those aged 25 to 54. As the baby boomers age, more Albertans are heading into the 55 and over age group. The share of working aged Albertans who are 55 years of age and older has climbed about five percentage points since late 2008 to reach 30% this summer. Since workforce engagement is naturally lower in this age group, population aging is putting downward pressure on the overall labour force participation rate in the province.

Youth focusing on education

A second driver of the decline is reduced youth labour force participation. The participation rate of those aged 15 to 24 has plummeted by 12 percentage points since late 2008. The unemployment rate in this age group rose over this time, suggesting that some young people may have become discouraged and involuntarily fallen out of the workforce. However, a broader trend across the country is that youth are foregoing work voluntarily in order to invest in education. The share of Alberta youth with high school degrees has grown by about 20% and that with university degrees has grown by about 30% since 2008. These provincial trends mirror a tendency toward higher education rates at the national level.

Have a question or idea for Labour InSight? Send us an *email*.

Contact

April Seburn 780.427.7543